

103 KAR 44:070. Taxation of loaner and rental motor vehicles.

RELATES TO: KRS 131.180, 138.450-138.470, 138.990

STATUTORY AUTHORITY: KRS 131.130(1), 138.4605(4)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 131.130(1) authorizes the Department of Revenue to promulgate administrative regulations for the administration of all tax laws. KRS 138.4605(4) requires the department to promulgate administrative regulations prescribing forms and procedures to collect the tax due on loaner or rental motor vehicles. This administrative regulation establishes those forms and procedures.

Section 1. Definitions. (1) "AVIS" means the Automated Vehicle Information System prescribed by KRS Chapter 186A.

(2) "Department" is defined by KRS 131.010(2).

(3) "Due date" means the date by which a report and payment of loaner or rental tax due is required to be submitted to the department.

(4) "Eligible taxpayer" means a motor vehicle dealer licensed under KRS 190.010 who in the course of business loans or rents designated motor vehicles exclusively to customers of their service or repair components.

(5) "Loaner or rental motor vehicle" is defined by KRS 138.450(13).

(6) "Month" means a calendar month or any portion of a calendar month.

Section 2. Reporting and Payment Requirements. (1) Any eligible taxpayer who has vehicles dedicated as loaner or rental motor vehicles shall:

(a) Register with the department utilizing Revenue Form 73A054;

(b) Provide the county clerk with their dealer number as issued by the Kentucky Motor Vehicle Commission; and

(c) Provide to the department a listing of all vehicles designated as loaner or rental motor vehicles including the vehicle identification number, license plate number, make, model, and model year.

(2) Any registered eligible taxpayer who wishes to designate a vehicle as a loaner or rental motor vehicle shall advise the county clerk of this designation when the vehicle is first registered or transferred to the dealer. The county clerk shall enter the dealer number and appropriate exception code, provided by the department, in the AVIS computer system. The motor vehicle usage tax shall not be collected by the county clerk. The taxpayer shall also notify the department of the addition of the vehicle to the loaner or rental program when the next monthly report is submitted.

(3) If a dealer transfers a vehicle out of inventory to be used in the loaner or rental program, the dealer shall notify the department of the transfer to the loaner or rental program when the next monthly report is submitted.

(4) Any registered eligible taxpayer who has vehicles identified to the department as loaner or rental motor vehicles shall submit to the department on a monthly basis a report of the number of these vehicles utilizing Revenue Form 73A055 and remit payment of twenty-five (25) dollars per vehicle with the report, pursuant to KRS 138.4605.

(5) The due date of the report and payment shall be fifteen (15) calendar days after the last day of the reporting month.

(6) Penalties provided in KRS 131.180 and 138.990 shall apply to any late report or payment.

Section 3. Forms. The forms listed herein may be inspected, copied, or obtained, subject to

applicable copyright law, at:

- (1) The Kentucky Department of Revenue, 501 High Street, Frankfort, Kentucky 40620;
- (2) A Kentucky Taxpayer Service Center, Monday through Friday, 8 a.m. to 4:30 p.m.; or
- (3) The department Web site at <http://revenue.ky.gov>. (29 Ky.R. 1426; 1759; eff. 1-16-2003; TAm eff. 5-20-2009; TAm eff. 6-28-2016; 44 Ky.R. 782, 1211; eff. 1-5-2018; Crt eff. 8-7-2019.)